

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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## MEMORANDUM

TO: Minuteman Regional School District Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: September 29, 2015

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on September 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

The revised schedule reflects a “fresh start” basis with respect to the actuarial value of assets as of January 1, 2015. The System has used an asset smoothing methodology for over 15 years in which investment gains and losses are spread over 5 years. For the January 1, 2015 valuation, the market value of assets will be used. A return to the asset smoothing methodology will be phased-in over five years. The 2015 valuation also reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



Minuteman Retirement System  
January 1, 2015 Actuarial Valuation

8.0% Increasing Total Cost through FY31 with Final Payment FY32

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>% Increase Total Cost</u>
2016	148,595	21,405	170,000	1,409,577	
2017	154,539	30,461	185,000	1,492,558	8.82%
2018	160,720	39,280	200,000	1,572,144	8.11%
2019	167,149	82,851	250,000	1,648,332	25.00%
2020	173,835	96,165	270,000	1,683,953	8.00%
2021	180,789	110,811	291,600	1,708,103	8.00%
2022	188,020	126,908	314,928	1,718,506	8.00%
2023	195,541	144,581	340,122	1,712,592	8.00%
2024	203,363	163,970	367,332	1,687,462	8.00%
2025	211,497	185,222	396,719	1,639,853	8.00%
2026	219,957	208,499	428,456	1,566,099	8.00%
2027	228,755	233,977	462,733	1,462,088	8.00%
2028	237,905	261,846	499,751	1,323,213	8.00%
2029	247,422	292,310	539,731	1,144,321	8.00%
2030	257,318	325,591	582,910	919,653	8.00%
2031	267,611	361,931	629,543	642,783	8.00%
2032	278,316	310,241	588,557	306,548	-6.51%
2033	289,448		635,641	0	8.00%

Payments assumed to be on September 1.

Normal Cost increases 4.0% annually

FY17 and FY18 increase \$15,000, FY19 increases \$50,000.